

CLASSIFICATION **CONFIDENTIAL**
 CENTRAL INTELLIGENCE AGENCY
 INFORMATION FROM
 FOREIGN DOCUMENTS OR RADIO BROADCASTS

REPORT
 CD NO.

50X1-HUM

COUNTRY China
 SUBJECT Economic - Warehouse inventory
 HOW PUBLISHED Daily newspaper
 WHERE PUBLISHED Canton
 DATE PUBLISHED 18 Mar 1950
 LANGUAGE Chinese

DATE OF INFORMATION 1950

DATE DIST. 24 Apr 1950

NO. OF PAGES 3

SUPPLEMENT TO REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF ESPIONAGE ACT 50 U. S. C. 31 AND 32, AS AMENDED. ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED

THIS IS UNEVALUATED INFORMATION

SOURCE Nan-fang Jih-pao.

ANNOUNCES REGULATIONS ON LIQUIDATION
 AND DISTRIBUTION OF PROPERTY IN WAREHOUSES

Peiping, 16 March (Hsin-hua). The Administration Council of the Central People's government has announced the following regulations governing liquidation and distribution of property in warehouses. These regulations were adopted at the 23d administrative session of the Administration Council on 10 March 1950.

During the period of KMT reactionary control, much property belonging to the nation was stored in warehouses. After the People's government had liberated and taken over all areas, this property still could not be used to good advantage because it had not been liquidated. If this property can be promptly liquidated, it may be used as supplies for the nation's basic industries, as industrial investments, or may be converted into ready money. The following regulations are specially designed to accomplish these goals and to eliminate the unnecessary capital expenditures which arise from the amassing of property in warehouses by business enterprises, and by military and political units.

Article 1

By 30 June 1950, a complete inventory shall be made of the contents of every warehouse taken over by any executive agency in each district throughout the nation, and of every warehouse maintained by any industrial control agency. When this inventory is concluded, a report shall be made on a Property Liquidation Form and forwarded to the special central authorities.

Article 2

Property included in the inventory indicated in Article 1 shall be placed in the custody of the Committee for Nation-Wide Liquidation and Distribution of Property in Warehouses (CNLDPW). This committee shall determine its disposition and request that either the Finance and Economics Commission of the Administration Council or the People's Revolution Military Affairs Council of the Central People's government handle its distribution. The property will be distributed as follows:

CONFIDENTIAL

- 1 -

CLASSIFICATION		CONFIDENTIAL									
STATE	<input checked="" type="checkbox"/> NAVY	<input checked="" type="checkbox"/> NSRB		DISTRIBUTION							
ARMY	<input checked="" type="checkbox"/> AIR	<input checked="" type="checkbox"/> FBI									

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

a. All property of mining and communications control agencies and of enterprises under their jurisdiction, aside from the specified amount of fixed capital, circulating capital, or property which may legally be retained, shall be given over to the Finance and Economics Commission of the Administration Council for distribution.

b. All property, stored in warehouses, which belongs to commerce control agencies or commercial firms under their jurisdiction shall be subject to inventory. All assets representing investment above the limit of general investments set for companies throughout the nation by the Finance and Economics Commission of the Administration Council will be evaluated and turned over to that commission for distribution.

c. With the exception of property purchased out of 1950 operating expenses, all property in warehouses of finance control agencies or of agencies under their jurisdiction -- whether such property be surrendered, confiscated, or purchased -- will be evaluated and turned over to the Finance and Economics Commission of the Administration Council for distribution.

d. Property in military warehouses, whether confiscated or merely accumulated over a period of time, shall be subject to inventory. A Property Liquidation Form shall be filled out and forwarded to the CNLDPW. Subsequently, all such property shall be centrally distributed by the Rear Areas Service Section of the People's Revolution Military Affairs Council of the Central People's government.

Article 3

Income from liquidated property in warehouses will revert to the National Treasury, and will be handled according to the following regulations:

a. Machinery, raw materials, etc., allotted to industrial, communications, or agricultural control agencies under the provisions of the 1950 industrial plan, approved by the Finance and Economics Commission of the Administration Council, shall be evaluated and paid for by that commission. Such payments shall be charged against the investments account of that commission by the Ministry of Finance of the Central People's government. In cases where the needs of the aforementioned agencies require certain items of warehouse property beyond the limit of their investments, they may apply to the Finance and Economics Commission of the Administration Council to have such property distributed to them. If that commission approves, then the investment will be increased or the necessary funds credited with the Ministry of Finance.

b. Articles ordinarily used in trade by commercial firms or business enterprises may be distributed to commercial firms to be sold, through approval by the Finance and Economics Commission of the Administration Council. The Ministry of Finance and the Ministry of Trade of the Central People's government are jointly charged with the duties of fixing prices on these articles, signing contracts, and periodically clearing accounts.

c. In liquidating property stored in warehouses, all material not relating to machinery, industry, or communications, as well as odd lots of materials and damaged or deteriorated goods, such as old wearing apparel, unsuitable for sale by commercial firms, will be handed over to be sold by the Ministry of Finance of the Central People's government.

d. In principle, military warehouses shall be administered centrally by the Rear Areas Service Section of the People's Revolution Military Affairs Council of the Central People's government. But when deemed necessary, the CNLDPW may handle property in military warehouses with the approval of the aforementioned People's Revolution Military Affairs Council.

- 2 -

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

e. In addition to the types of property described above, whatever property cannot be disposed of, or cannot be advantageously utilized in 1950, shall be subject to a complete inventory, and suitable warehouses should be provided under the central administration of the CNLDPW or of appropriate organizations designated as substitute administrative agencies. Strict regulations shall govern the administration of such warehouses.

Article 4

All plans for the distribution of property by public enterprises and for economic intercourse among public enterprises which date from the KMT period, are declared null and void. No business enterprise in any district may claim such plans as a basis for distributing property. All public enterprises throughout China shall again record their assets and carefully determine their capital funds.

Article 5

To effect the aforementioned, the CNLDPW is established and subdivided into agencies to handle military and nonmilitary warehouses, respectively. All their activities shall be under the central direction of the CNLDPW.

a. The Rear Areas Service Section of the People's Revolution Military Affairs Council of the Central People's government shall be responsible for organizing the Agency for Liquidation and Distribution of Property in Military Warehouses.

b. The Department of Assets Distribution of the Planning Bureau of the Central Finance and Economics Commission shall be responsible for organizing the Agency for Liquidation and Distribution of Property in Nonmilitary Warehouses.

c. Branches of the CNLDPW, established by the People's government, or by the Military and Political Affairs Council, in each regional administrative district or by agencies or special state enterprises, shall be under the central leadership of the main committee. Each branch committee shall carry out its duties within its own district. If necessary, branches may also establish subordinate administrative agencies.

d. When the CNLDPW deems necessary, it may organize operational units and dispatch them to various districts and agencies to effect the warehouse inventory.

Article 6

The CNLDPW constitutes a financially independent unit. It shall compile in advance a budget of disposition, collection, and repair expenses necessary to the handling of warehouse property, and defray such expenses through the customary procedures of financial administration.

Article 7

The warehouse inventory shall be conducted conscientiously. From the day this resolution is promulgated, property in warehouses shall not be privately transferred, concealed, sold, destroyed, transmitted, or exchanged, nor shall any person refuse to abide by these regulations. Violators shall be restrained according to law.

- E N D -

CONFIDENTIAL

- 3 -

CONFIDENTIAL